

Now is the time for UTOPIA fiber to grow

I was not an elected official when my city committed to the Utah Telecommunication Open Infrastructure Agency (UTOPIA). But now as mayor of the largest UTOPIA city, I find that what to do with our city's network has become one of the greatest challenges I face—not just because of West Valley City's enormous commitment (\$147 million between 2010 and 2040), but importantly because of the enormous potential benefits. I find, the question is not, "Was UTOPIA a good idea or a bad idea?" The question is: "Looking at our hand today, what is our best way forward?"

UTOPIA's good news is that since June 2008 it's added over 3,500 new customers and reached about 10,000 subscribers, the number of service providers on the network has grown from three to 12, and national voices—from Google to the New York Times—are trumpeting the virtues of an open-fiber network.

Why? Because, in an economy where "bandwidth is the new black gold", according to Columbia's Tim Wu, communities with bandwidth will be the ones that thrive. YouTube, alone, uses as much bandwidth as the entire World Wide Web in 2000. Can you imagine what the demands will be in 2015? 2020? No other technology has the unlimited capacity of fiber.

Why an open network? Because nations that embrace open networks see faster speeds and lower prices due to free market competition (that's why South Korea's speeds are quadruple our own). Likewise, UTOPIA facilitates private-sector competition – an appropriate role for government. We build highways and airports for private companies to compete on. It makes sense to build a fiber highway infrastructure for any provider that wants to use it. Already, UTOPIA's open fiber is facilitating a dozen Utah businesses that would suffocate if left to the duopoly of the status quo telecom giants.

So that's the good news. The bad news is UTOPIA needs more subscribers for the books to balance, and it will be out of operating capital later this spring. The network does pencil, however, with an increase in subscribers. In fact, as the network grows, there are economies of scale that actually begin to make money and reduce the tax-pledge burden of cities like mine.

So if you were mayor, what would you do? Walk away from the system, let it go dark, and make your \$147 million in payments over the next 30 years with nothing to show for it? Do you try to sell the network, and take pennies on the dollar? Do you dribble in a little money so the network can limp along indefinitely, hemorrhaging cash along the way? Or do you take out a new bond that can grow your subscriber base to breakeven point and beyond? A relatively small bond—20% the size of the original UTOPIA bond—could do that.

Only 23% of my city has UTOPIA fiber, and there are homes and businesses that want access to the speed of light. After weighing the issue for months, I've concluded that we need to bring UTOPIA fiber to the rest of West Valley City, and just as importantly, to grow UTOPIA to profitability. I will be encouraging my council and my colleagues in UTOPIA cities around the state to join me in charging forward.

Utah has the most computers per household in the nation, and we make good use of the bandwidth available to us. Imagine what a bright future Utah could hold if we had the fastest and cheapest Internet in the country. An open fiber network gives light to that future.

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